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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.**

In the Matter of)
Interconnection and Resale)
Obligations Pertaining to)
Commercial Mobile Radio Services)

CC Docket No. 94-54

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REPLY COMMENTS OF VANGUARD CELLULAR SYSTEMS, INC.

Vanguard Cellular Systems, Inc. ("Vanguard") hereby submits the following
Reply Comments in response to the above-captioned *Second Report and Order and Third Notice
of Proposed Rule Making*.¹

Vanguard continues to support a market-oriented approach towards the provision
of automatic roaming capabilities across various wireless systems. Based upon Vanguard's own
experience, and the overwhelming majority of comments submitted in this proceeding,²

¹ See Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio
Services, *Second Report and Order and Third Notice of Proposed Rulemaking*, CC
Docket No. 94-54 (rel. Aug. 15, 1996) (*Second R&O and Third NPRM*).

² Sixteen of the 20 commenters in this proceeding oppose the imposition of an automatic
roaming requirement at this time. See Comments of Vanguard (October 4, 1996);
Comments of 360 Communications Company ("360") (October 4, 1996); Comments of
AirTouch Communications, Inc. ("AirTouch") (October 4, 1996); Comments of
Ameritech ("Ameritech") (October 4, 1996); Comments of AT&T Wireless Services, Inc.
("AT&T Wireless") (October 4, 1996); Comments of BellSouth Corporation
("BellSouth") (October 4, 1996); Comments of Bell Atlantic NYNEX Mobile, Inc.
("NYNEX") (October 4, 1996); Comments of Cellular Telecommunications Industry
Association ("CTIA") (October 4, 1996); Comments of Century Cellunet, Inc.
("Century") (October 4, 1996); Comments of GTE Mobilenet ("GTE") (October 4,
1996); Comments of Personal Communications Industry Association ("PCIA") (October
4, 1996); Comments of PrimeCo Personal Communications L.P. ("PrimeCo") (October 4,
1996); Comments of Rural Cellular Association ("RCA") (October 4, 1996); Comments

Vanguard believes that the emerging competitive wireless marketplace will independently satisfy the automatic roaming needs of wireless providers. Until and unless a need for regulatory intervention is warranted, Vanguard continues to support the Commission's own preference to allow the wireless marketplace to competitively resolve all automatic roaming issues.

As the overwhelming majority of comments submitted in this proceeding indicate, the imposition of an automatic roaming requirement would be premature at this time. The changes that have been sweeping the wireless industry have been dramatic. New PCS providers have been entering the wireless marketplace at a rapid pace, and more expect to initiate service in the near term.³ Many of these new entrants have aggregated multiple licenses, or have entered into automatic agreements with other PCS licensees, to implement national and regional service strategies. At the same time, other wireless providers continue to enter into automatic roaming agreements in order to build upon existing roaming footprints and to compete for substantial roaming revenues.⁴ There is no evidence to date that would suggest that an automatic roaming requirement is needed in this dynamic and increasingly competitive wireless environment. To the contrary, most commenters support Vanguard's view that market forces are working and will

of Rural Telecommunications Group ("RTC") (October 4, 1996); Comments of Southwestern Bell Mobile Systems ("Southwestern Bell") (October 4, 1996); and Comments of Sprint Spectrum L.P. ("Sprint Spectrum") (October 4, 1996).

³ For example, PrimeCo recently launched service in 15 cities, providing coverage to up to 32 million people. See *Communications Daily* (Nov. 13, 1996). Western Wireless and Bell South have also initiated service in smaller, regional markets. See *Communications Daily* (Nov. 15, 1996). Moreover, Sprint Spectrum and AT&T Wireless also expect to initiate service early next year. *Id.* See also Comments of AirTouch at 2 (noting that PCS licensees have already begun to deploy their networks and enter into roaming agreements with other PCS providers).

⁴ See, e.g., Comments of Vanguard at 4; Comments of 360 at 3; Comments of Ameritech at 2; Comments of AT&T Wireless at 4; and Comments of GTE at 5.

continue to thrive as the wireless industry develops,⁵ and as the Commission has recognized, a similar deregulatory approach has been successful in fostering voluntary interconnection agreements among cellular providers.⁶

A light touch is particularly warranted, since the record also confirms that the uncertain need for mandatory automatic roaming is outweighed by the costs that such an obligation would impose on current and emerging wireless providers.⁷ For example, in order to provide automatic roaming capability across all wireless systems, providers would be required to increase their system capacity significantly and at substantial cost.⁸ In addition, enhancements to providers' billing systems would be required in order to accommodate the increased demand for roaming services.⁹ In order to implement the system upgrades needed to provide automatic roaming, small and mid-sized carriers like Vanguard would need to rely on the ability third-party equipment vendors to develop the enhancements needed to satisfy such capabilities.¹⁰ Many commenters share Vanguard's view that wireless providers should have the opportunity to balance the significant costs of automatic roaming with marketplace demand in deciding whether

⁵ See Comments of 360 at 2-3; Comments of AirTouch at 2; Comments of Ameritech at 1-2; Comments of AT&T Wireless at 3-5; Comments of BellSouth at 3; Comments of CTIA at 7, 13; Comments of Century at 3; Comments of PrimeCo. at 10-13; and Comments of Southwestern Bell at 2-9.

⁶ See, e.g., Comments of Vanguard at 4; Comments of 360 at 2; Comments of AirTouch at 2; Ameritech Comments at 2; Comments of AT&T Wireless at 3-4; Comments of BellSouth at 3; and Comments of CTIA at 12-13.

⁷ See, e.g., Comments of Vanguard at 6-8; Comments of Ameritech at 3-4; Comments of BellSouth at 5; Comments of CTIA at 16-19; and Comments of PrimeCo at 16-17.

⁸ See, e.g., Comments of Vanguard at 7; Comments of BellSouth at 5; Comments of CTIA at 17; and Comments of PrimeCo. at 16-17.

⁹ See Comments of Vanguard at 7; Comments of BellSouth at 5.

¹⁰ See Comments of Vanguard at 7; *see also* Comments of CTIA at 17-18.

to pursue an automatic roaming strategy. The marketplace remains best-suited to make such determinations given no demonstrated need for mandatory automatic roaming at this time.

Proponents of an automatic roaming requirement indicate that such a requirement is needed to prevent large providers from discriminating against smaller players in the wireless telecommunications marketplace. Yet, these parties have offered only isolated or vague allegations of discrimination in the negotiation and provision of automatic roaming.¹¹ Absent more concrete evidence of discrimination by established wireless providers, any such allegations are more efficiently addressed through the Commission's Section 208 complaint process, though Vanguard continues to support careful Commission monitoring of CMRS marketplace development.¹²

¹¹ Comments of Alliance Independent Wireless Operators at 16-17; Comments of Radiofone, Inc. at 1-2; and Comments of Western Wireless Corporation at 3-5.

¹² 47 U.S.C. § 208. *See* Comments of CTIA at 7-8; Comments of GTE at 5; Comments of PrimeCo. at 13-14; and Comments of Rural Telecommunications Group at 4.

In sum, as the overwhelming majority of comments submitted in this proceeding indicate, the Commission should not adopt an automatic roaming requirement at this time. Until a clear need for an automatic roaming requirement has been demonstrated, the Commission's own preference for market-based solutions continues to be the best policy to promote the continuing emergence of competition in the CMRS marketplace.

Respectfully submitted,

VANGUARD CELLULAR SYSTEMS, INC.

A handwritten signature in black ink, appearing to be "J. Barker", written over a horizontal line.

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